

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 223 - SB 1209

March 9, 2016

SUMMARY OF BILL: Authorizes the Motor Vehicle Commission to deny an application for a license, or revoke or suspend the license, of a licensed motor vehicle dealer upon finding that the motor vehicle dealer operates a business that has more than 80 percent of its inventory comprised of used motor vehicles and is located in Davidson County within one mile of another licensed used motor vehicle dealer. Exempts the provisions of this legislation from applying to any business licensed to sell used motor vehicles as of July 1, 2015; however, upon the lease or transfer of ownership of business operations, the provisions shall then apply. An effective date of July 1, 2015.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- This proposed legislation will only apply to motor vehicle dealers located in Davidson County for which 80 percent of their inventory is comprised of used motor vehicles.
- This bill does not apply to motor vehicle dealers in Davidson County licensed as of the July 1, 2015, unless the business operations of any such businesses are leased or ownership is transferred.
- This bill has an effective date of July 1, 2015, which has already passed.
- It is assumed that this bill will now take effect on July 1, 2016.
- No significant number of motor vehicle dealer applications denied, or existing licenses suspended or revoked.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The Motor Vehicle Commission had surpluses of \$282,456 in FY13-14, \$618,571 in FY14-15, and a cumulative reserve balance of \$2,240,017 on June 30, 2015.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jdb